



# 2010 YEAR-END INVESTMENT PORTFOLIO UPDATE

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# 2010 Economic Highlights

- Fed target rate unchanged at 0.25%
- T-Bill rate at a low of 0.16%
- Inflation expectations stable
- Elevated unemployment rate 9.6%
- Fed to purchase \$600B of treasuries

# Interest Rates at Historic Lows

	<u>10-01-09</u>	<u>9-30-10</u>
■ Fed Funds	0-0.25%	0-0.25%
■ 3 month T-Bill	0.09%	0.15%
■ 3 month LIBOR	0.28%	0.29%
■ Florida State Board (SBA)	0.37%	0.32%
■ 2 Yr Treasury	0.86%	0.42%
■ 10 Yr Treasury	3.18%	2.51%

# Year-End Portfolio Summary



■ Ad-Valorem (collected 99%)	\$453M
■ Investment Balances	\$336M
■ Cash Balances	\$366M
■ Average Balance for FY 10	\$767M
■ Total Earnings	\$13.2M

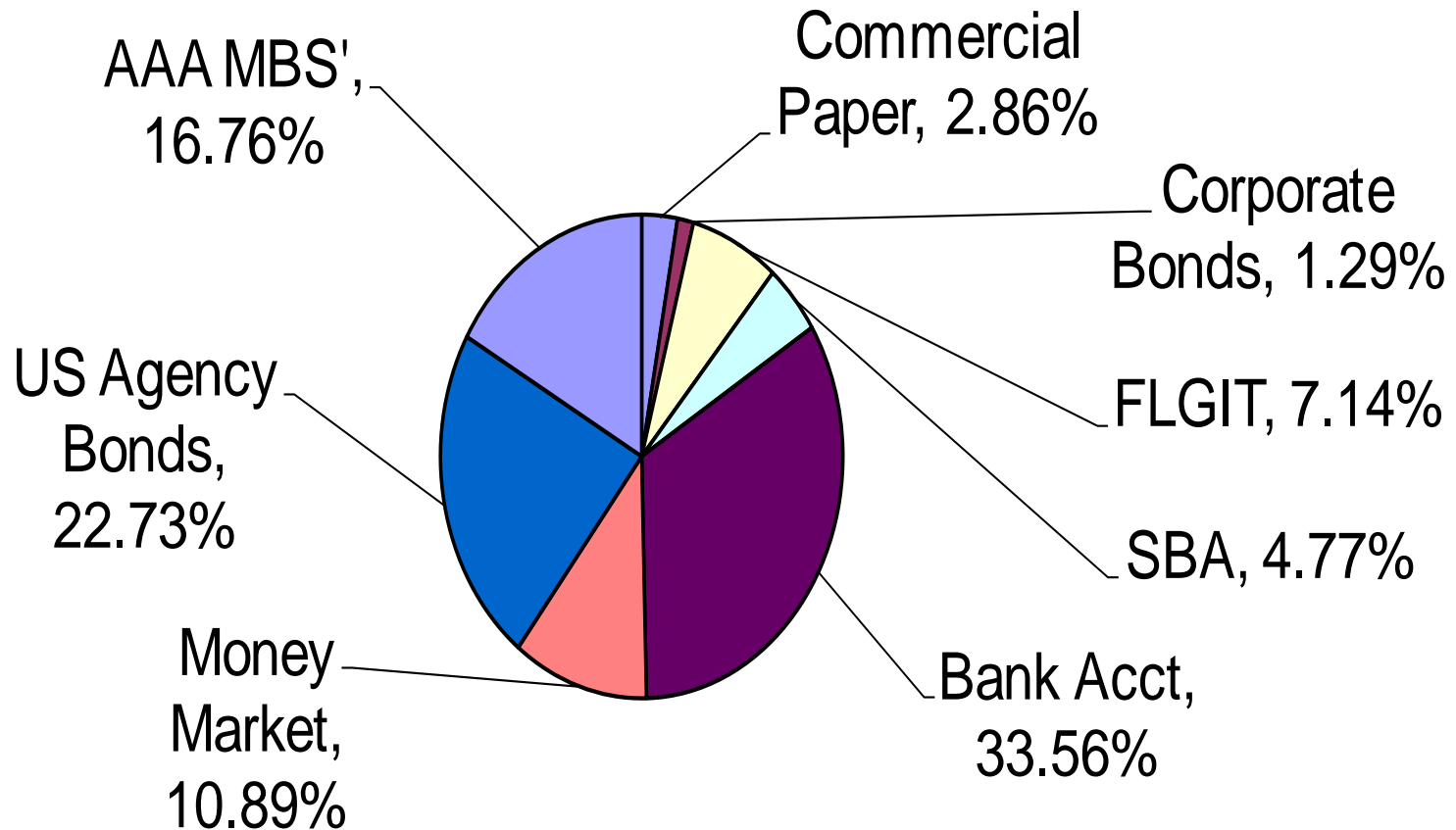
# Portfolio Balances by Month



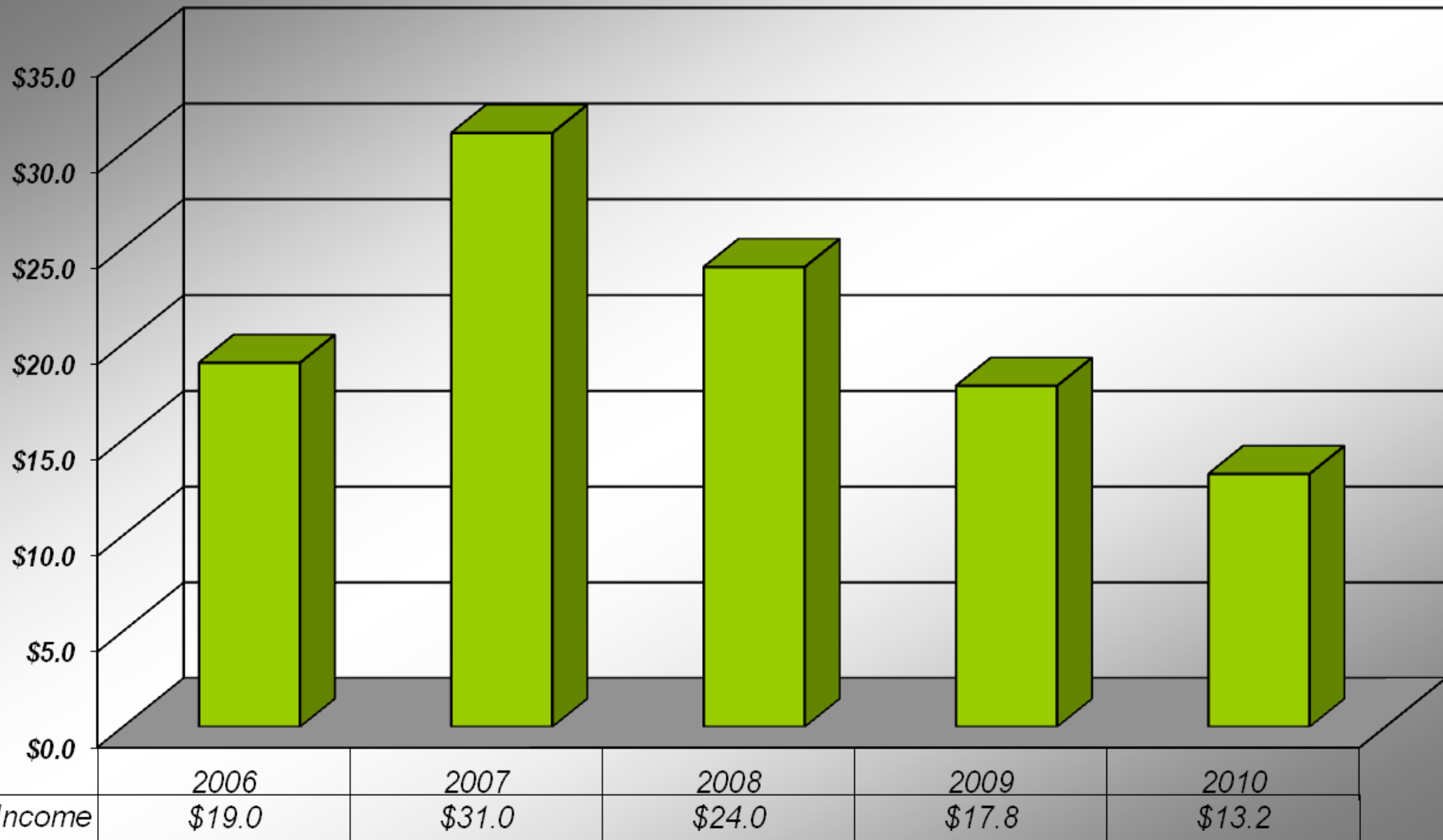
# Year-End Portfolio Balances

	<u>PAR VALUE</u>	<u>YIELD</u>
Cash and Money Markets	\$311.2M	0.25%
Florida State Board (SBA)	\$33.4M	0.32%
Commercial Paper	\$20.0M	0.83%
FLGIT	\$50.0M	0.96%
Corporate Bonds	\$9.0M	1.76%
U.S. Agencies	\$159.2M	2.25%
AAA Mortgages	\$117.4M	4.53%

# Portfolio Sector Allocation



# Annual Investment Earnings (\$M)





# Performance Review

- **Investment Earnings** **\$13.2M**
- **Total Return Yield** (cash & investments) **1.72%**
- **Book Yield** (Investments Only) **2.87%**
- **Duration .95** – measures risk and average maturity
- **Maintained safety of all investments and met all liquidity needs in a volatile market**

# Portfolio Benchmark Comparisons

## SHORT TERM CASH YIELD

- SFWMD 0.25 %
- S&P Govt. Investment Pool Index 0.15 %

## LONG TERM INVESTMENTS

- SFWMD Market Yield 1.00% Duration 0.95
- Merrill Lynch 1-3 Index 0.45% Duration 1.74

# Questions?